

**SB 516 – Cannabis Reform
Favorable with Amendments**
March 8, 2023

To: The Honorable Chair Griffith, Vice Chair Klausmeier, and Members of the Senate Finance Committee

From: Kayla Mock, Political & Legislative Director
United Food and Commercial Workers Union, Local 400

Dear Chair Griffith and members of the Senate Finance Committee:

I appreciate the opportunity to share testimony on behalf of our over 10,000 members in Maryland, who have worked the frontlines and have been essential employees in grocery, retail, food distribution, law enforcement, healthcare, and cannabis. Through collective bargaining, our members raise the workplace standards of wages, benefits, safety, and retirement for all workers.

We are favorable with amendments to SB 516.

We are optimistic with the framework of the bill and appreciate its thoughtful dedication to ensuring social equity. This bill will help set a national standard and act as a model for other states as cannabis legalization moves forward. We do have concerns over the lack of labor peace agreements and the impacts this could have on cannabis workers.

UFCW represents thousands of cannabis workers across the United States in dispensaries, labs, delivery, kitchens, manufacturing, processing, grow facilities, and more. Through collective bargaining, these workers have secured better wages, protection from unfair discipline, and affordable benefits. Through organizing and collective bargaining, UFCW members have been advocates for the establishment of industry wide standards for sustainable and equitable jobs.

A labor peace agreement is an agreement licensees sign with a labor union stating that if or when their employees decide to organize, their employer will not interfere. It also states that the labor union may not picket, strike, or engage in other work stoppages or boycotts. Labor peace agreements are not new to Maryland as they have been passed into law before, most prominently with casino licensing. Additionally, other states such as Connecticut, New Jersey, New York, California, and Rhode Island all have labor peace language in their recreational cannabis regulations (with other states using LPA's in medicinal).

Unfortunately, labor law is inadequate in fully protecting workers' rights to organize a union freely and fairly. While the law states that workers may not be fired, retaliated against, or coerced into not organizing, companies often break the law, knowing there are no real consequences of doing so. Additionally, labor peace agreements protect the state's proprietary interests by forbidding unions to engage in any kind of business disruptions. Labor peace protects the state's proprietary interests by creating placidity amongst all parties.

Cannabis industry jobs should be high road, quality, sustainable jobs. By giving workers a free and fair opportunity to organize and bargain, workers can set standards on what's best for them, their workplace, their families, and communities. Social equity is about ensuring workers have access to wealth, opportunities, and high workplace standards. Cannabis is predicted to be a multi-billion-dollar industry, so the inclusion of labor peace would provide a pathway for workers to have a part.

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March 3, 2023

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To: The Honorable Chair Wilson

From: Kayla Mock, UFCW Local 400

Labor peace agreements are not forced unionization, they simply state that employers would have to remain neutral upon their workers deciding to organize. Additionally, labor peace is not forced labor standards, which could cause undue stress on smaller businesses. Upon organizing, employers and employees would have to bargain over individual company standards.

Labor peace agreements can also address the existing disparities in the cannabis job market by providing equal opportunities for women, people of color, LGBTQ+ individuals, veterans, and people with disabilities to own businesses or work within the industry. Access to representation helps ensure that a broad range of workers can benefit from the industry, especially workers from communities that have been disproportionately impacted by cannabis prohibition in the past.

With respect, **we kindly request the inclusion of labor peace agreements in SB 516.**

(Please see below for model labor peace agreement language.)

Model Labor Peace Agreement Language

“A labor peace agreement” is an agreement between a cannabis establishment and a bona fide labor organization that, at a minimum, protects the state’s proprietary interests by prohibiting the labor organization from engaging in picketing, work stoppages or boycotts against the cannabis establishment.

"Bona Fide Labor Organization" means a labor organization, as defined by [29 U.S.C. 402\(i\)](#), that is actively seeking to represent cannabis workers in the state. In making this determination, the agency shall consider each of the following as indicative, but not determinative, of a finding that a labor organization is a “Bona Fide Labor Organization”:

- a. The labor organization has been recognized or certified as the bargaining representative for cannabis employees in the state;
- b. The labor organization has executed current collective bargaining agreement(s) with cannabis employers in the state;
- c. The labor organization has spent resources as part of current and active attempt(s) to organize and represent cannabis workers in the state;
- d. The labor organization has filed the annual report required by [29 U.S.C. 431\(b\)](#) for the three years immediately preceding;
- e. The labor organization has audited financial reports covering the three years immediately preceding;
- f. The existence of written bylaws or constitution for the three years immediately preceding; and
- g. The labor organization’s affiliation with any regional or national association of unions, including but not limited to central labor councils.

All cannabis establishment initial applicants, renewal applicants, and licensee holders must have entered into, have maintained, and abide by the terms of a labor peace agreement. This labor peace agreement requirement is an ongoing material condition of the license, of which a violation may result in denial, suspension, or revocation of the license.

All initial applicants must submit an attestation signed by both the applicant and the bona fide labor organization stating that the applicant meets this paragraph’s requirements, has entered into and maintained, as is abiding by the terms of a labor peace agreement (“LPA attestation”). All renewal applicants must submit a new LPA attestation executed within [X] days of the submission date of the renewal application. An applicant’s failure to submit a timely LPA attestation will result in a denial of the initial or renewal license.

The [X] agency shall have the authority and be required to determine a schedule establishing the ongoing review of the status and maintenance of a labor peace agreement to assess eligibility of license holder. Upon review and findings of unsatisfactory status or the insufficient maintenance of a labor peace agreement [X] agency shall suspend a licensee for the sale, cultivation, production, or manufacturing of cannabis.